

VZCZCXYZ0009
RR RUEHWEB

DE RUEHIN #1333/01 1070826
ZNR UUUUU ZZH
R 170826Z APR 06
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC 9737
INFO RUEHBJ/AMEMBASSY BEIJING 5073
RUEHHK/AMCONSUL HONG KONG 6270

UNCLAS AIT TAIPEI 001333

SIPDIS

DEPARTMENT FOR INR/R/MR, EAP/TC, EAP/PA, EAP/PD - ERIC BARBORIAK
DEPARTMENT PASS AIT/WASHINGTON

SIPDIS

E.O. 12958: N/A

TAGS: [OPRC](#) [KMDR](#) [KPAO](#) [TW](#)
SUBJECT: MEDIA REACTION: KMT-CCP ECONOMIC FORUM

¶1. Summary: Taiwan's major Chinese-language dailies gave significant coverage April 15-17 to the KMT-Chinese Communist Party (CCP) Economic Forum held in Beijing over the weekend, and the meeting between KMT Honorary Chairman Lien Chan and Chinese President Hu Jintao Sunday. Coverage also focused on the controversial gift vouchers to the SOGO Department Store, which President Chen Shui-bian and his family were allegedly related to; and the year-end Taipei and Kaohsiung mayoral race. The pro-independence "Liberty Times," Taiwan's biggest daily, ran a banner headline on its page two April 17 that said: "Lien, Hu Meet for the Second Time; [Both] Talk about One China But Not 'Different Interpretations [of the One China Principle].'" The pro-independence "Taiwan Daily" also ran a banner headline on its page three April 17 that read: "Undaunted by China's Approaching Threats, the Pro-Independence Activists Urge [Taiwan] to Move Forward." The pro-unification "United Daily News," however, ran a banner headline on its page three April 16 that said: "Layer by Layer and With Means Both Heavy and Light, Beijing Is Knocking down the Taiwan Independence Barriers." The pro-status quo "China Times" ran an exclusive front-page news story April 17 that quoted former Mainland Affairs Council Chairman Chen Ming-tong as saying that a delegation authorized by the Taiwan government went to Beijing for secret negotiations on direct charter flights between April 8 and April 10 before the Lien-Hu meeting Sunday.

¶2. In terms of editorials and commentaries, editorials of the pro-independence "Liberty Times," "Taiwan Daily," the limited-circulation, English-language "Taipei Times" and "Taiwan News" all called the incentives proposed by Beijing during the KMT-CCP economic forum united-front measures aimed at belittling Taiwan's sovereignty. A "China Times" editorial urged the ruling DPP to pragmatically cope with the new changes with regard to cross-Straits relations. A "United Daily News" news analysis said Beijing has released comprehensive and consistent messages with regard to cross-Straits relations and is waiting for Washington's final endorsement - namely, the U.S.-China summit slated for April

¶20. End summary.

A) "Lien Chan Will Become the One Who Has Rendered Outstanding Service for 'Pushing for [Cross-Straits] Unification and Jeopardizing Taiwan'"

The pro-unification "Liberty Times" [circulation: 600,000] editorialized (4/17):

"... The united-front measures proposed by China [during the KMT-CCP economic forum] this time were basically of the same type as those proposed at the Lien-Hu meeting last year. That is, they were made in an attempt to cause Taiwan people's national identity to waver and create the illusion that Taiwan's economic prosperity must depend on China. ... [The fruit of] Taiwan's economic developments must be shared by all the Taiwan people. The so-called investments

in China only help to push for China's economic growth and create job opportunities in China; they may have contributed to the interests of those who cling on to China, but surely such moves will hollow Taiwan's industries and thus generate many social problems derived from high unemployment rates. ..."

B) "The KMT-CCP Economic Forum, Which Joins Internal and External Forces in an Attempt to Befriend the [Taiwan] Public, Is a Sugarcoated Trap to Belittle Taiwan's Sovereignty and Bypass the Taiwan Government"

The pro-independence "Taiwan Daily" [circulation: 100,000] editorialized (4/17):

"The series of measures announced by Beijing [during the KMT-CCP economic forum] were united-front tactics in order to befriend and attract the Taiwan public. The Taiwan government must first do a thorough assessment of these measures, and then it should announce implementation of those measures that are good for Taiwan's public welfare and harmless for Taiwan's sovereignty. As for those ill-intentioned measures that are secretly aimed at sabotaging Taiwan's sovereignty or Taiwan-centered values, the government should also explain to its people why it cannot accept them. ..."

C) "Lien Visit Hype Unwarranted"

The pro-independence, English-language "Taipei Times" [circulation: 30,000] commented in an editorial (4/16):

"The media coverage and public attention regarding the meeting between Chinese President Hu Jintao and former Chinese Nationalist Party (KMT) chairman Lien Chan and the economic and trade forum between their parties is unwarranted. It is unlikely these events will produce any significant breakthrough in cross-strait relations. They should be considered primarily as a photo opportunity for the retired Lien. ..."

"As for the CCP-KMT forum, it is also not likely to lead to anything. ... If none of these events managed to come up with any innovative ideas to break the current impasse, it is unrealistic to expect the CCP-KMT forum to be any different. Moreover, the government here has already issued reminders that it will have to approve any conclusions reached at the forum that touch on its authority. Sure, Lien will be given VIP treatment by Beijing. But that probably has more to do with China's intent to make the Democratic Progressive Party government look bad."

D) "Hu and Lien Offer Taiwan a Devil's Bargain"

The pro-independence, English-language "Taiwan News" [circulation: 20,000] wrote in an editorial (4/17):

"... Taiwan's Democratic Progressive Party government does not need to reject Beijing's offers out of hand, but, unlike the KMT, has the responsibility to ensure that such carrots do not harm the long-term national, economic and social interests of our people and do not compromise our Taiwan-centric medium-and long-term development goals. ... Last week's KMT-CCP economic forum and yesterday's Hu-Lien meeting has thus had some positive significance in clarifying for the Taiwan people the nature of the 'devil's bargain' offered by Beijing and enthusiastically endorsed by the KMT."

"In exchange for the privilege of limited and fleeting prosperity through becoming an economic appendage to the great Chinese market and the highly uncertain peace under the domination of the PRC, the Taiwan people only need relinquish their hard-won democracy and their power to develop and implement our own Taiwan-centered global economic strategy. ..."

E) "In Addition to Harsh Criticism, the Ruling Party Might as Well Pragmatically Cope with the New Changing Situation"

The pro-status quo "China Times" [circulation: 400,000] editorialized (4/17):

"... Without doubt, Beijing has its strategic goals: on the one hand, its appeal for peace [across the Taiwan Strait] was meant for Washington's eyes, which is getting ready for the upcoming meeting

between U.S. President George W. Bush and Chinese President Hu Jintao. On the other hand, Beijing is also trying to create an atmosphere that is favorable for the KMT to secure a victory in the 2008 presidential elections and to win the Taiwan people's support, in an attempt to isolate the pan-Green camp. The top priority task for the DPP now, as a responsible ruling party, is to proactively ... make a pragmatic assessment of the many incentives proposed by Beijing. It should accommodate or even further proceed with those measures if it finds them really beneficial for the Taiwan people. ... In addition to condemning [the KMT and CCP], the ruling party might as well cope with the new situation with a more mature attitude!"

F) "In Terms of Cross-Strait Relations, Beijing Releases Signals and Awaits Endorsement from the United States"

Journalist Sun Yang-ming commented in the pro-unification "United Daily News" [circulation: 400,000] (4/17):

"The second meeting between KMT Honorary Chairman Lien Chan and Chinese President Hu Jintao just concluded. But what's more important was that the Lien-Hu meeting was not simply a meeting but a warm-up for the cross-Strait issues that will be discussed in the U.S.-China summit in Washington four days from now. During his meeting with Lien, Hu released comprehensive and consistent messages, which are only waiting for the final endorsement of Washington. ...

"Beijing did not mention at all the concept of 'unification' during the Lien-Hu meeting, not even the 'modus vivendi' that [KMT Chairman] Ma Ying-jeou proposed [when he visited the United States]. Beijing's purpose was to save unnecessary trouble [for the United States] at this stage, not letting Washington be worried about its unification request. ... Beijing, on the one hand, tried its best to befriend the Taiwan people; on the other hand, it has demonstrated for the sake of Hu's summit with U.S. President George W. Bush April 20, it can behave very rationally and maturely when it comes to stabilizing cross-Strait relations. ..."

YOUNG